

**REMARKS**

In view of the foregoing amendments and the following remarks, reconsideration of the subject application is respectfully requested. Claims 1, 6, 7, 15, 18, 22-25 and 28-32 are presently pending in the application. Claims 28-32 are new. Claims 1, 6, 15, 18, 22, and 25 have been amended to clarify the invention. Claims 2-5, 8-14, 16, 17, and 19-21 have been canceled without prejudice. The specification has been amended as suggested by the Examiner. All new claims and amendments are fully supported by the specification. No new matter has been added.

***Claim Rejections under 35 U.S.C. §101***

In the Office Action, claims 1-21 were rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. The claims have been amended to clarify that the sorted list of compliance rules and their associated transaction limits are displayed. This allows a portfolio manager to obtain an in-depth understanding of the basis for the transaction limits, which allows the portfolio manager to more easily identify alternative opportunities and to decide on an appropriate action. Applicant respectfully submits that the claimed invention now produces a tangible, concrete, and useful result; withdrawal of the rejection is respectfully requested.

***Claim Rejections under 35 U.S.C. §112***

In the Office Action, claims 1-27 were rejected under 35 U.S.C. §112, second paragraph as being indefinite. Claim 1 now explicitly states that the transaction limit is calculated for each compliance rule. Claims 22 and 25 now make it clear that the sorted list of compliance rules are displayed, which allows a portfolio manager to more readily understand the basis for the

transaction limits. Claims 1 and 15 have been amended to ensure that all essential steps are recited. Applicant respectfully submits that the claims now particularly point out and distinctly claim the invention. Withdrawal of the rejection is therefore respectfully requested.

***Claim Rejections under 35 U.S.C. §102***

In the Office Action, claims 1, 2, 5, 8, 9, 12, 15, 16, and 19 were rejected under 35 U.S.C. §102(b) over U.S. Patent No. 5,893,079 to Cwenar. As explained in detail below, Cwenar fails to disclose or suggest calculating a transaction limit for a set of compliance rules. For at least this reason, independent claim 1 and all claims depending therefrom are patentable over Cwenar.

Independent claim 1 recites a method of determining the buying power of an investment portfolio for a given security. The method includes providing a set of compliance rules and calculating a transaction limit for a proposed transaction involving the security for each compliance rule. The method also includes sorting the set of compliance rules from most restrictive to least restrictive and displaying the sorted set of compliance rules along with the calculated transaction limit for each rule.

Cwenar recites a computerized data processing system having an external data interface for communicating with nonuser outside sources of investment data to process and deliver the data to a server for storage in a central database. The data delivered to the central database is in the form of data storage tables containing investment data. A data storage table may contain information with respect to an individual security, such as a description of the security, coupon, yield, price, CUSIP number, and issuer of the security. The system also provides a compliance means which serves to compare a proposed trade with a group of rules which can be prioritized

with respect to legal or business standards. The system can then provide instructions regarding stopping, delaying, or proceeding with the proposed trade with appropriate records being kept.

Cwenar fails to disclose or suggest calculating a transaction limit based on a compliance rule. Cwenar also fails to disclose or suggest displaying a sorted list of compliance rules along with their associated transaction limits. The system disclosed in Cwenar allows a user to input rules through an external interface. *See col. 11, lines 44-45.* The rules may be stored on a local computer or in a central database. *See col. 11, lines 46-51.* The rules can be based on legal requirements, *see col. 12, lines 6-7*, or can be discretionary and customized to the preference of a user. *See col. 12, lines 40-42.* When a transaction is found to violate the rules the trade is stopped, and an audit trail report is prepared. *See col. 12, line 27-29.* If the transaction is found to be consistent with the rules, the trade proceeds and a user receives a compliance approval report. *See col. 12, lines 41-47.* Cwenar simply does not disclose the steps of calculating a transaction limit based on a compliance rule and displaying a sorted list of compliance rules along with their associated transaction limits. Consequently, Cwenar does not provide a portfolio manager with transaction limit information that would allow the portfolio manager to identify alternative opportunities and decide what actions should be taken. Because Cwenar fails to disclose or suggest each element recited in claim 1, claim 1 and all claims depending therefrom are patentable over Cwenar.

Independent claim 15 recites means for calculating a transaction limit as well as means for displaying a list of sorted compliance rules along with the transaction limit associated with each compliance rule. Thus, claims 15 as well as all claims depending therefrom are patentable over Cwenar. Accordingly, withdrawal of the rejections under 35 U.S.C. §102(b) is respectfully requested.

***Claim Rejections under 35 U.S.C. §103***

In the Office Action, claims 6, 7, 13, 14, 20, and 21 were rejected as being unpatentable over Cwenar in view of U.S. Patent Application Publication No. 2004/0220872 to Pollock.

Claims 13, 14, 20, and 21 have been canceled. As outlined above, Cwenar fails to disclose or suggest each element recited in independent claim 1. Claims 6 and 7 depend from independent claim 1 and so are patentable over Cwenar for at least the reasons given above regarding claim 1.

Pollock fails to overcome the deficiencies of Cwenar. Pollock discloses methods for lending based on an asset and securitization of loan interests. The Office relies on Pollock solely for its disclosure of receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender. Pollock does not disclose or suggest the steps of calculating a transaction limit of an investment portfolio for a given security based on a compliance rule and displaying a sorted list of compliance rules along with their associated transaction limits. For at least this reason, claims 6 and 7 are patentable over Cwenar and Pollock, either individually or in combination.

In the Office Action, claims 3, 4, 10, 11, 17, 18, 22, and 25 have been rejected under 35 U.S.C. §103(a) as being unpatentable over Cwenar. Claims 3, 4, 10, 11, 17, and 18 have been canceled.

Independent claims 22 and 25 are not rendered obvious by Cwenar. The Office concedes that Cwenar fails to disclose sorting compliance rules from least to most restrictive based on transaction limits, but indicates that “the Examiner takes Official Notice that sorting information based on relevancy is old and well known” and that “it would have been obvious to one skilled in the art at the time of invention to include the ability to sort compliance rules from most to the

least restrictive and that doing this would permit quick assessment of the most relevant rules that are gating a transaction.” Applicant respectfully submits that the Examiner has improperly relied on official notice as a basis for the rejection. It is never appropriate to rely solely on “common knowledge” in the art without evidentiary support in the record, as the principal evidence upon which a rejection is based. MPEP 2144.03. The Office has presented no evidence, other than Applicant’s disclosure, to support the obviousness rejection. Cwenar discloses comparing a proposed trade with a group of rules “which can be prioritized with respect to legal or business standards.” *See* Cwenar, col. 2, lines 41-44. Cwenar does not disclose or suggest calculating a transaction limit for each of the compliance rules, nor does Cwenar disclose or suggest sorting the compliance rules and displaying the sorted rules. For at least these reasons, claims 22 and 25 are patentable over Cwenar. Applicant respectfully requests that the rejection of these claims under 35 U.S.C. §103 be withdrawn.

Applicant submits that new claims 28-32 are also patentable over Cwenar and Pollock, either individually or in combination. Independent claim 28 recites a system for facilitating trade entry and portfolio management. The system includes a user interface interacting with a control program, a data storage device, and a processor. A financial security section of the user interface displays the name of a security as well as data associated with the security. A portfolios section of the user interface displays data retrieved from the data storage device, including a selectable list of investment portfolios and a buying power limit for the security associated with each of the investment portfolios. The system also includes a buying power module in the user interface, which displays a list of compliance rules retrieved from the data storage device and a transaction limit calculated by the processor for each of the compliance rules. The compliance rules and each of their associated transaction limits are listed from lowest transaction limit to highest

transaction limit and are applicable to a currently selected investment portfolio in the portfolios section of the user interface.

Neither Cwenar nor Pollock renders claim 28 obvious. Both Cwenar and Pollock disclose user interfaces, however each reference fails to disclose or suggest a portfolios section and a buying power module, as described above. For at least these reasons, claim 28, and all claims depending therefrom, are patentable over the cited references.

### CONCLUSION

It is respectfully submitted that each of the pending claims in the application, namely claims 1, 6, 7, 15, 18, 22-25 and 28-32, is directed to patentable subject matter. Allowance of all pending claims in the application is earnestly solicited.

The Director is hereby authorized to charge any deficiency in the fees filed, asserted to be filed, or which should have been filed herewith (or with any paper hereafter filed in this application by this firm) to our Deposit Account No. 04-1105, under Order No. 59004(49357).

Respectfully submitted,

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